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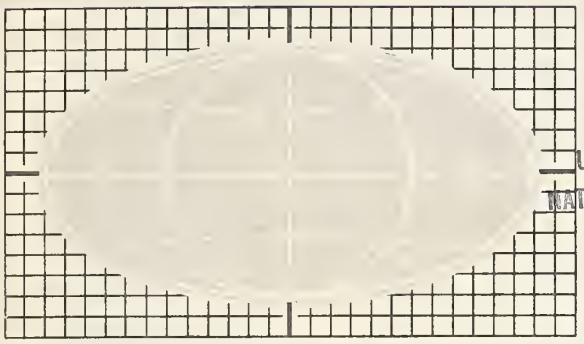

MOZAMBIQUE'S AGRICULTURAL ECONOMY IN BRIEF

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SUMMARY

Although Mozambique remains one of the least developed countries in Africa, it is currently experiencing considerable economic growth. Exports are increasing; the economic infrastructure is expanding with the building of new highways, railroads, and dams; and a manufacturing industry is being developed, primarily for processing agricultural products. Mozambique's location and relative underdevelopment account for the unique importance of transit shipments, migrant labor, and tourism to its economy. Although most of the population is engaged in subsistence agriculture, the majority of small farmers also grow or gather one or more cash crops. A large percentage of total agricultural production comes from European-owned plantations.

THE LAND

Considered an overseas province of Portugal, Mozambique has an area of 303,073 square miles (784,961 square kilometers)--about 8½ times as large as Portugal and roughly equivalent in size to Texas and Louisiana, combined. The country is 1,220 miles long and varies in width from 50 to 718 miles. Mozambique borders Tanzania in the north; its extensive Indian Ocean coastline on the east has many fine harbors which serve not only the province's own hinterland, but also its western neighbors--Malawi, Zambia, Rhodesia, the Republic of South Africa, and Swaziland.

The province can be roughly divided into three geographic zones: (1) the coastal belt, which is quite narrow in the north, extends inland through the Zambezi and other river valleys, and widens to include most of the country in the south; (2) the plateau and highland regions, averaging 3,000 feet in altitude and covering most of the territory north of the Lower Zambezi Valley and much of the western frontier; and (3) the middle plateau, a transitional zone of hills and low plateaus ranging in altitude from 500 to 2,000 feet. Most of the province is tropical savannah (grassy cover with scattered trees), although forest regions are found west of Beira and in some highland areas. Soils throughout most of Mozambique are poor and sandy, although rich, alluvial soils are located in the many river valleys that run west to east across the country. The rainy season, from October to March, is well defined and somewhat warmer than the dry season. Rainfall is heaviest in

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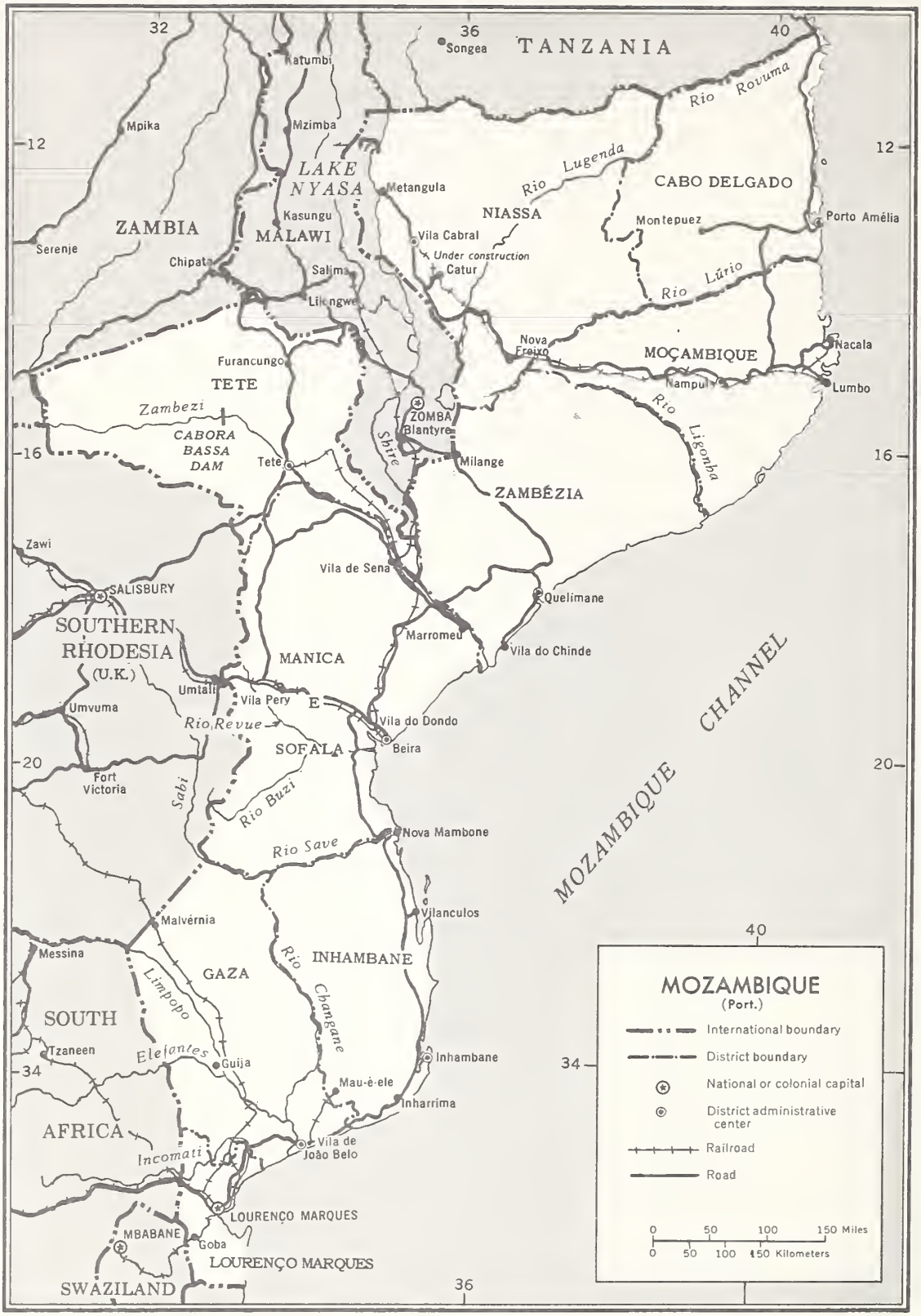

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parts of the north, where it often exceeds 40 inches a year, but is greater than 20 inches annually in all parts of the country.

Economically, Mozambique can be divided into three distinct regions: North, Central, and South. The North--comprising the region north of the Lower Zambezi River (the districts of Zambezia, Moçambique, Cabo Delgado, and Niassa) and until recently the least developed area of the province--now is the most important agricultural area. Most of the commercial production of cotton, cashew nuts, peanuts, tea, and copra, and significant proportions of many other crops come from this area. However, most of this agricultural development has been in Zambezia and Moçambique districts, and the northernmost districts of Cabo Delgado and Niassa remain relatively underdeveloped.

The Central region consists of Manica e Sofala and Tete districts and is sparsely settled in most parts. It is presently of minor importance in agricultural production except for the output of the province's two largest sugar estates. The Zambezi Valley Development Plan in Tete, which includes construction of the Cabora Bassa Dam, should greatly increase the importance of agriculture in this area and the general economic development of the whole province. An important hydroelectric and irrigation project on the Revue River in Manica e Sofala is already making a significant contribution to the development of the Central region.

The three districts of the South--Gaza, Inhambane, and Lourenço Marques--in the past were the center of Mozambique's economic progress. These districts contain the bulk of the country's cattle; are important producers of sugar, rice, and wheat; and provide homes for most of the Portuguese settlers. The Limpopo Valley (Gaza district) is the scene of the oldest and largest land improvement and colonization schemes.

THE PEOPLE

The 1969 population of Mozambique is approximately 7.3 million. The vast majority of the people are African, mostly of Bantu stock, and comprise four main ethnic groups--Tonga, Caranga, Nhanja, and Macua. These are divided into 12 tribes. Twelve different languages, each having several dialects, are spoken. The European population--the majority of which is urban and Portuguese--now approximates 150,000 (excluding about 50,000 Portuguese soldiers), compared with 101,665 in 1960 and 27,438 in 1940. This rapid growth of the European population is due mainly to the encouragement the Portuguese Government has given to the settlement of white Portuguese in its African possessions. The most densely populated areas of the province are the coastal areas of the north and the south, parts of the Zambezi River Valley, and the Angonia Highlands (facing the Rhodesian frontier). The average population density for the whole province is 24 persons per square mile (1969). However, in 1960, when the most recent population census was taken, densities ranged from 69 persons per square mile in Lourenço Marques district (unrepresentative because of the presence of a large city in a small district) and 47 per square mile in Moçambique district (second ranking) to six in Niassa (last ranking). Some sections of Gaza, Inhambane, and the Save River area are practically uninhabited, and much of the central and northern highlands is sparsely populated. Educational levels in Mozambique are among the lowest in Africa. The literacy rate in 1966 was 2 percent, compared with 20 percent for all of Africa excluding the Republic of South Africa.

ECONOMY

Despite the importance of migrant labor (supplied to the Republic of South Africa and Rhodesia) and of wage labor on the large and medium-size plantations, traditional farming remains the chief economic activity of most Mozambicans. Additionally, most small farmers, as well as the plantations, grow a variety of crops destined for the domestic and export markets. But as agricultural exports provide less than half of the province's foreign exchange, earnings from transit shipments, migrant labor, and tourism assume great importance in the economy.

Mozambique has three important ports --Lourenço Marques, Beira, and Nacala-- which serve not only the hinterland of the province but several neighboring countries as well.

Lourenço Marques is the capital of Mozambique and its busiest port. It is connected by railroad to South Africa, Rhodesia, and Swaziland. The Mozambique Convention, an agreement originally signed in 1909, guarantees the port of Lourenço Marques at least 47.5 percent of the transit traffic destined for a "competitive area" in the economic heart of the Transvaal. In return, South Africa has the right to recruit 65,000 to 80,000 Mozambican laborers a year. Further contributing to Lourenço Marques' importance as a port is its relative closeness to Johannesburg, which gives it a natural advantage over South African ports.

Beira, the capital of Manica e Sofala district, is the second-busiest port in Mozambique. Rail lines connect the port with Rhodesia, Zambia, and Malawi. Zambian freight is now being diverted away from Beira, but the port still handles most of Malawi's and much of Rhodesia's transit traffic.

The port of Nacala in Moçambique district presently serves only domestic traffic, but a proposed extension of the railroad that serves the port would allow it to participate in the Malawi transit trade.

For recent years, the annual average number of Mozambican migrant workers in the Republic of South Africa and Rhodesia is estimated to be around 500,000. Almost all the migrant workers are from the area south of the Zambezi River and represent a very substantial portion of the male labor force from that part of the country. Although Mozambique benefits from this migratory labor through taxes and fees, and gains foreign exchange via voluntary remittances and compulsory wage deferments, the system deprives the province of labor needed for its own economic development.

Mozambique's natural assets--particularly its beaches, tropical climate, and hunting potential--and its location in relation to its richer neighbors attract many tourists who contribute substantially to its economy.

ECONOMIC DEVELOPMENT

Although Mozambique remains quite poor, the last several years have seen much improvement in the province's agricultural production, economic infrastructure, and industrial output, and current plans indicate continued economic advances in the near future.

Production of many crops has been rising steadily over the past several years. Increased output of many crops traditionally grown by African farmers--such as rice, corn, and cotton--has been spurred by improved marketing policies (including guaranteed markets at fixed prices) and by financial and technical assistance given to some farmers. Plantation production of cashew nuts has been initiated, and production of traditional plantation crops--especially tea and sugar--has increased, primarily because of expanded acreage on established plantations, establishment of new plantations, and increased yields. Some expanded agricultural output can be attributed to irrigation and land settlement schemes which have encouraged small- and medium-scale production of livestock and such crops as rice, tobacco, cotton, corn, kenaf, bananas, citrus, and other fruits by both African and Portuguese farmers.

Mozambique has had excellent rail connections to neighboring countries for some time, but transportation facilities within the country have remained quite poor--primarily because of the general lack of roads. Many agricultural producing areas thus continue to be isolated from potential markets. However, military considerations and general development plans are responsible for a current high-priority program of road construction and improvement. The more important projects underway are the Lourenço Marques-Beira Highway, scheduled for completion in 1970; a new highway into the Cabora Bassa Dam area in Tete district; and a bridge across the Zambezi River at Tete. Other projects designed to improve internal transportation include extension of the Nacala Railroad Line to Lake Nyasa, port improvement throughout the province, and a planned new port at the mouth of the Zambezi River. The last 15 years have seen construction of dams for irrigation and hydroelectric power on the Limpopo (Gaza) and Revue (Manica e Sofala) Rivers.

Portuguese policy formerly discouraged industrial development in its overseas territories, but that policy has been rescinded and many new manufacturing concerns have been established--mostly for processing agricultural products. Among these manufacturing enterprises are sugar refineries, the first of which was constructed in 1966; several cashew-shelling plants; a growing textile industry; rice-milling facilities; six cigarette factories which produce 1,900 metric tons of tobacco products annually; five oilseed processing plants; a rope factory which consumes a fifth of domestic sisal output; several coir processing factories; plants for processing condensed milk and other dairy products; and jute bag factories. Other important new industrial concerns in Mozambique include an aluminum plant in Tete; a new fertilizer plant, which is expected to meet all foreseeable domestic demand; a brewery; and a petroleum refinery. The cement plant in Lourenço Marques is expanding to meet demand which construction of the Cabora Bassa Dam will create, and prospecting for oil, diamonds, and other minerals is underway.

The most ambitious development scheme underway in Mozambique is the Zambezi Valley Development Plan, which is centered around the Cabora Bassa Dam on the Zambezi River in Tete district. Construction of the 500-feet-high-dam has recently been initiated. Its electrical generating stations will produce 18 megawatts of power annually--more than any other African dam's capacity. Power production is expected to begin in 1974; initially, most of the power will be sold to the Republic of South Africa. Other potential foreign customers are Rhodesia, Zambia, and Malawi. Also planned are four additional dams on tributaries of the Zambezi, which will bring the total electrical power output of the complex to 50 megawatts annually--more than the entire present South African production. The reservoir above the Cabora Bassa dam will extend over 150 miles to the Zambian border, cover more than 1,000 square miles, and require the relocation of approximately 23,000 people. Other aspects of the Zambezi Valley Development Plan may take several decades to complete. These include development of agriculture on up to 1,500,000 hectares of irrigated land and 300,000 hectares of dry farmland, forest development on 200,000 hectares, introduction of up to 200,000 head of cattle and 120,000 goats, improvement of navigation on the 370 miles of the Zambezi River between the dam and the sea, and exploitation of mineral deposits, especially coal, iron ore, copper, fluorspar, and manganese.

Approximately $550 million is to be spent in Mozambique under Portugal's third 6-year development plan (1968-73) (does not include expenditure for the Zambezi Valley Development Plan). Of the 15 percent of this amount earmarked for agricultural development, almost 80 percent is to be used for irrigation and settlement schemes. The remainder is to be divided among crop, livestock, and forestry improvement programs. The plan anticipates placing 4,000 immigrant Portuguese farm families in established settlement schemes in the south and in newer ones, mostly in the north. A new dam on the Elefantes River (Gaza) will provide irrigation facilities permitting expansion of the Limpopo Valley Settlement Scheme (see below). The livestock development plan proposes expanded cattle raising in the north, where it is now very limited.

AGRICULTURAL STRUCTURE AND TECHNOLOGY

Agriculture is very dominant in Mozambique's economy, supplying almost two-thirds of the gross domestic product and 79 percent (value) of exports, and employing well over 80 percent of the population. Although approximately a third of the province's area is suitable for crop production, it can most generously be estimated that only 5 million hectares--or 6.5 percent of the total land area--is farmland and that less than half of this is actually cultivated. Although agricultural production is greatest in the north, especially in Moçambique and Zambezia districts, most agricultural development has been in the south. Indicators of this regional disparity are the loans granted by the Agricultural Credit Bank in 1967; 89 percent went to the southern districts of Gaza (17 percent) and Lourenço Marques (72 percent).

There are three basic types of agriculture in Mozambique: African subsistence

agriculture, which is usually supplemented by one or two cash crops; small-and medium-scale European-type farming practiced by Portuguese immigrants; and large-scale plantation (estate) farming, which is controlled by Europeans. Although farmers of European extraction comprise less than 1 percent of the farmers in Mozambique, they control half the farmland.

African Agriculture

Over 1 million African farm families are engaged in traditional agriculture, producing mainly cassava, corn, peanuts, rice, and a variety of vegetables and fruits for subsistence. The majority of these farmers also grow crops for the market economy and produce the bulk of commercial cotton and rice grown in Mozambique. In addition, these farmers gather various uncultivated products--such as cashew nuts, coconuts, castor seeds, and mafurra nuts--which are also marketed. Despite this activity, the African farmers' share of commercial crop output has been decreasing--partly because of the growth of plantation farming, the increasing numbers of non-African farmers, and the inadequate extension and educational services provided the African farmer. The value of African-grown commercial crops was 35 percent of the total in 1967, down from 47 percent of the total in 1951.

Except for land expropriated for the large sugar estates, tribal lands have largely been reserved for African agriculture. On the rich soils of the larger river valleys there is some fixity of tenure; on the whole, however, Africans engage in a shifting agriculture, frequently moving to new fields--from 1 to 2 hectares in size--which are cleared by burning. African farmers usually reside in habitations built in small clusters called libutas or e-patas, which are occupied by a group of relatives. These are located near their machambas (mundas in the Zambezi Valley), or farm clearings. Subsistence crops for one family are normally grown in association on plots of 1 hectare or less. Cash crops are grown on separate plots, unmixed with other cultivations in fields usually varying from one-half to 1 hectare. The land, often worked by women, is tilled with a short-handled hoe although plows pulled by oxen are sometimes used--especially in rice-growing areas, where the soils are generally more difficult to work. Productivity on the whole is low, but double cropping is common in the more fertile river valleys.

In the region south of the Save River and in the Angonia Highlands, Africans often raise cattle in conjunction with their machamba agriculture. Infestation of the tsetse fly largely precludes this practice in the northern and central regions, where hunting (mainly for antelope) and fishing are the main supplements to agriculture and gathering.

Plantation Agriculture

Of the more than 3,000 European-owned farms in Mozambique, approximately 15 percent are company estates and plantations; about a dozen of these are extremely large. Europeans employ approximately 140,000 persons on individual farms and estates, combined. Sugar, sisal, copra, tea, and recently, cashew nuts are the principal plantation crops. Estate agriculture in Mozambique began in the late 16th century with the establishment of the prazos of the Zambezi Valley. These were extremely large estates (from 1,500 to 40,000 hectares) obtained by conquest, grants from African chiefs, and Portuguese crown grants. The prazos maintained a large amount of political independence and managed to survive for three centuries, but the prazeros did little to reorganize the agricultural structures of their domains and depended largely on excess produce from traditional agriculture for their income. In the 1890's, the Portuguese Government granted to three land companies territorial concessions covering the present-day districts of Manica e Sofala, Tete, Zambezia, Niassa, and Cabo Delgado--or 62 percent of the colony's total area. Many of today's sugar, sisal, and coconut plantations owe their origins to these companies--especially the Zambezia Company, which operated in Zambezia and Tete districts. Presently, much of the Governments's efforts in agricultural development are directed toward plantation and outgrower projects, which can be organized at much less cost than peasant settlement schemes. Outgrower projects consist of independently owned and operated farms grouped around a processing facility which

the farms supply and from which they receive technical and financial assistance.

Settlement Agriculture

In the last two decades, almost 100,000 non-Africans--mostly Portuguese--have immigrated to Mozambique. Although a majority of these have settled in the cities, several thousand have gone into agriculture, individually or in government-sponsored settlement schemes. Portuguese policy is to establish in Mozambique agricultural settlements and irrigation schemes patterned after Portuguese peasant communities. Africans as well as whites participate in the settlement programs, and near Vila de Joao Belo (Gaza) is the relatively successful, all-black Inhamissa settlement and cooperative scheme. The largest settlement programs, which have both Portuguese and African settlers, revolve around irrigation projects at Guija on the Limpopo River in Gaza, and on the Revue River near Vila Pery in Manica e Sofala district. Other important projects are located near Vila Cabral in Niassa district and Montepuez in Cabo Delgado district. The settlement projects vary in organization, but all provide the settler with a house, land, tools, seeds, and other basic items which he is to repay with a fraction of his annual produce. All projects also have established cooperatives which provide a myriad of services and through which crops are marketed. Despite the emphasis given to these settlement schemes, their financial return--especially in terms of the investment involved (about $10,500 per family)--has been quite low.

AGRICULTURAL PRODUCTION

Table 1 presents production estimates for Mozambique's principal agricultural products over the past several years. As the data show, output of many crops has increased substantially, while production of others has held at more or less constant levels.

Subsistence Production

The principal subsistence crops of Mozambique are cassava, corn, and peanuts. Cassava is the principal staple in the north and corn in the south. Rice is an important staple in limited areas--the Lower Zambezi and Limpopo Valleys, the Pungue River flats west of Beira, and along the coastal areas of Moçambique district. Production figures for these and other crops used for subsistence can only be roughly estimated. Peanuts, rice, and corn are also important cash crops for African farmers. Peanuts are grown over the whole province, but the bulk of the commercial crop comes from Moçambique and Inhambane districts (about 45 percent and 30 percent, respectively). African farmers own more than two-thirds of the approximately 1.2 million head of cattle in the province.

African Commercial Production

African farmers market cotton, cashew nuts, copra, and various other crops in addition to rice, corn, and peanuts. Cotton, almost exclusively an African-grown crop, usually has ranked as Mozambique's most valuable export. Over 500,000 African farmers cultivate cotton by traditional methods which result in very low yields. Marketing policies (guarantee of the internal market at a fixed price) and technical assistance from the Cotton Institute have lead to steadily increasing production since 1961, when a compulsory production system was abandoned.

The cashew tree was brought to Mozambique from Brazil in the 16th and 17th centuries and now grows wild along with bush, thorn trees, coconut palms, and dense forest along the province's coastal areas. Although the cashew is beginning to be cultivated on European-owned plantations, the bulk of the crop is gathered (mostly in the north) by Africans and sold through country stores to Indian traders and to the new cashew shelling plants. A large proportion of the potential crop is wasted because of inaccessability and isolation of many growing areas, poor prices, and disorganization of the picking process. Nonetheless, Mozambique is the leading world supplier of cashew nuts, producing almost twice as much as its nearest competitor. Previously, almost all of the crop was sent to India for shelling and eventual reexport (mostly to the United States). But since 1964, modern cashew-shelling plants have been established in

Table 1.--Estimated production of Mozambique's principal crops, average 1960-64, annual 1965-67

Crop	Average 1960-64	1965	1966	1967
		1,000 metric tons		
Bananas	39	30	25	16
Beans and peas	90	90	95	95
Cashew nuts	111	120	100	170
Cassava (manioc)	1,000	1,000	1,000	1,000
Citrus	16	15	15	15
Copra 1/	62	45	55	60
Corn (maize)	330	385	440	500
Cotton seed	73	80	88	82
Cotton lint	36	39	44	40
Kenaf	1	2	7	8
Peanuts (unshelled) 1/	44	94	109	101
Rice 1/	45	55	55	55
Sisal	28	31	27	31
Sorghum	120	221	225	230
Sugar (raw)	166	165	179	210
Sweet potatoes	40	46	46	46
Tea	10	11	14	14
Tobacco	2	3	3	3
White potatoes	15	20	25	30
Wheat	8	8	8	8

1/ Commercial production only.

Sources: World Agriculture and Trade, U.S. Dept. Agr., Foreign Agr. Serv.; Reports from Foreign Agricultural Officers; and Econ. Res. Serv. estimates.

Mozambique and have been steadily growing in number. It is expected, given current levels of production, that the entire crop will be shelled locally by 1972 or 1973. But if collections of cashews continue increasing at present rapid rates, a residue of unshelled nuts will remain for export to India. Of the many byproducts of the shelling process, CNSL (cashew nut shell liquid), a multipurpose substance, is the most important. Domestic consumption of the cashew nut is mostly in the form of an alcohol made from the crushed kernel.

Copra gathered by Africans accounts for about a third of the province's copra production.

European Commercial Crops

The most important plantation crops in Mozambique are sugar, tea, copra and sisal. Production of sugar, the province's second-ranking export in 1967, is dominated by three large companies. The British-owned Sena Sugar Estates, near the mouth of the Zambezi River, produce approximately two-thirds of Mozambique's entire output. This company, which employs about 20,000 workers, built its first sugar refinery in 1967 and is now engaged in an expansion program. The other two dominant companies--Buzi, located near the mouth of the Buzi River (Manica e Sofala district), and Incomati, 90 miles north of Lourenço Marques--are Portuguese-owned and share the remaining production more or less equaly. Two new estates, one near Beira and the other near Lourenço Marques, have recently been established and should contribute to increased sugar production in the future.

The Government has been encouraging smaller scale Portuguese farmers in the north to cultivate tea, but the production of this crop is presently dominated by large plantations in certain highland areas of Zambezia district. These estates employ over 40,000 African workers--two-thirds on a 6-month basis and the remainder

Table 2.--Mozambique's principal agricultural exports, by value, 1961-67

Commodity	1961	1962	1963	1964	1965	1966	1967
	1,000 dollars						
Cashews	11,755	9,476	16,058	21,052	21,230	20,643	18,356
Nuts	10,899	7,977	13,942	17,855	17,332	15,078	10,660
Kernels	856	1,499	2,116	3,167	3,898	5,565	7,696
Cotton	24,083	21,208	19,320	19,659	19,617	17,116	22,056
Sugar	11,242	11,942	11,333	8,502	10,271	16,100	11,367
Tea	8,157	6,204	5,363	5,672	7,233	8,772	8,959
Copra	9,234	7,064	7,039	7,206	5,912	5,822	6,612
Sisal	5,609	5,760	9,026	9,494	6,156	4,451	3,454
Vegetable oils	2,194	1,662	3,585	4,523	5,873	3,893	5,595
Total agr. exports	74,219	71,550	80,710	84,515	84,878	87,578	89,911
Total exports	88,170	90,246	99,918	105,293	109,370	111,099	120,949

Sources: Anuario Estadistico and Boletim Mensal, Lourenço Marques, Mozambique.

Table 3.--Mozambique's principal agricultural exports, by volume, 1961-67

Commodity	1961	1962	1963	1964	1965	1966	1967
	1,000 metric tons						
Cashew nuts	84.6	80.5	119.2	124.3	98.7	77.2	56.2
Cashew kernels	1.1	1.9	2.7	3.5	4.0	5.7	8.1
Cotton	42.6	36.4	33.5	33.6	32.5	28.6	38.2
Sugar	113.8	129.9	124.9	83.3	94.9	147.1	109.5
Tea	9.9	9.0	8.4	9.0	10.1	13.0	14.4
Copra	60.1	52.8	46.4	43.8	28.6	33.9	42.9
Sisal	28.4	29.6	29.7	31.6	31.4	26.7	23.2
Vegetable oils	8.1	6.1	13.3	15.3	17.5	10.9	16.7

Sources: Anuario Estadistico and Boletim Mensal, Lourenço Marques, Mozambique.

on yearly contracts. Most of Mozambique's sisal is produced on large plantations scattered along the coast in Moçambique and Zambezia districts. The importance of the industry has declined because of low world prices. Very large European-owned plantations, mostly along the coast of Zambezia, account for two-thirds of the province's copra production. One of these plantations claims to have more than 10 million trees and is said to be the world's largest.

The principal cash crops of Portuguese farmers in the settlement schemes are rice, tea, tobacco, corn, and kenaf.

AGRICULTURAL EXPORTS AND IMPORTS

Over the past several years, agricultural products have accounted for close to 80 percent of Mozambique's total exports (tables 2 and 3). Six products--cashew nuts and kernels, cotton lint, sugar, tea, copra, and sisal--are the principal agricultural exports and in recent years have consistently comprised more than four-fifths of such exports. Cashew nuts and kernels, combined, were the leading export from 1964 to 1966. They have steadily increased their relative importance among exports because of increased pickings, the beginning

Table 4.--Mozambique's principal agricultural exports and imports, by leading countries of destination and origin, 1967

Exports			Imports		
Commodity and country of destination	Quantity	Value	Commodity and country of origin	Quantity	Value
	1,000 M. tons	1,000 dollars		1,000 M. tons	1,000 dollars
Cotton lint	38.2	22,056	Common wines (1,000 liters)	44,897	9,709
Portugal	38.2	22,056	Portugal (1,000 liters)	44,897	9,709
Sugar	109.5	11,367			
Portugal	106.0	11,045			
Others	3.5	322	Wheat	62.1	4,408
			Australia	62.1	4,408
Cashew nuts	56.2	10,660			
India	56.0	10,622	Dairy products	6.8	3,559
Others	0.2	38	Netherlands	5.1	1,914
			Portugal	0.4	671
Tea	14.4	8,959	South Africa	0.3	266
United Kingdom	10.2	6,697	Others	1.0	708
Netherlands	1.3	641			
United States	1.1	622	Olive oil	1.5	1,235
Others	1.8	998	Portugal	1.5	1,235
Cashew kernels	8.1	7,696	Meat and meat products	1.1	1,075
United States	6.5	6,229			
Others	1.6	1,467	Vegetables, fresh	8.4	1,072
Copra	42.9	6,612	Fruit, fresh and dried	4.1	958
Spain	12.4	1,914			
Portugal	9.3	1,353	Jute	3.3	645
Norway	4.7	742	Pakistan	1.6	356
Others	16.5	2,603	Thailand	1.7	289
Vegetable fats and oils 1/	16.7	5,595			
Portugal	7.5	3,342			
Germany	4.5	915			
Others	4.7	1,338			
Sisal	23.2	3,454			
Portugal	5.8	926			
South Africa	4.2	720			
Netherlands	4.3	578			
Others	8.9	1,230			
Oil cakes 2/	33.7	2,557			
Rhodesia	9.5	787			
Sweden 3/	7.4	654			
Others	16.8	1,116			
Corn	25.4	1,400			
Portugal	25.4	1,400			

Continued ...

Table 4.--Mozambique's principal agricultural exports and imports, by leading countries of destination and origin, 1967--Continued

Exports			Imports		
Commodity and country of destination	Quantity	Value	Commodity and country of origin	Quantity	Value
	1,000 M. tons	1,000 dollars		1,000 M. tons	1,000 dollars
Tobacco, nonmfg.	1.2	1,145			
Portugal.....	0.9	789			
Others.....	0.3	356			
Rice.....	5.3	1,059			
Portugal.....	3.8	759			
Cashew nut shell liquid (CNSL).....	3.7	694			
United States.....	2.9	513			
Others.....	0.8	181			
Other agricultural exports.....		6,658	Other agricultural imports.....		13,868
Total agricultural exports.....		89,911	Total agricultural imports.....		36,529
Total exports.....		120,949	Total imports.....		197,817

1/ Peanut oil, coconut oil, and cottonseed oil.
2/ Peanut cake, copra cake, and cottonseed cake.
3/ 7.4-metric-ton figure is probably an understatement because it does not include copra cake.
Source: Boletim Mensal, Lourenço Marques, Mozambique.

of plantation cultivation, and the introduction and growth of the local shelling industry. Local shelling of cashew nuts for export slightly increases the product's weight value, and more importantly, allows exportation to the United States--thus earning valuable dollar exchange for the province. Sugar exports, because of increasing demand from Portugal and expansion of production, can be expected to increase in importance. Portuguese agricultural development policies, especially the Zambezi Valley Development Plan, and the trend toward local processing of agricultural products should favor the continuing importance of farm products among Mozambique's total exports.

About 45 percent of all Mozambican agricultural exports go to Portugal (table 4). Portuguese purchases include practically all cotton and sugar exports and relatively minor proportions of the remaining major export crops. Other important markets are India, which takes virtually all the unshelled cashew nuts; the United Kingdom, which buys more than half the tea exports; the United States, where most of the cashew kernels are sent; and the Republic of South Africa, which receives a variety of products. As more cashew nuts are shelled locally, the importance of the U.S. market will increase, and that of India should greatly decrease (at least relatively).

Agricultural imports account for less than a fifth of all imports and less than half the value of agricultural exports. Common wines accounted for over a quarter of all agricultural imports in 1966, and dairy products, wheat, and olive oil accounted for another quarter.

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Portugal, the Republic of South Africa, Australia (wheat) and the Netherlands (dairy products) are Mozambique's principal suppliers of agricultural imports. The United States supplies a small fraction of tobacco imports.

OUTLOOK

If present policies continue, it is likely that Mozambique's agricultural economy will be characterized by slow and steady increases in production and exports and by gradual reforms, with little basic change, in its structure. Expectation of steadily increasing production is based upon continued growth of large-scale plantation agriculture, improved marketing services, sustained immigration of Portuguese farmers, and potential farming of large reserves of land suitable for agriculture but presently unutilized. The sugar estates are responsible for most current expansion of plantation agriculture, but the Government's encouragement of this type of agriculture should assure its continued growth. Marketing services have been improved by the activities of the Cotton and Grain Institutes (price supports, guaranteed markets, and technical assistance) and by expansion of storage facilities and the transportation network. Growth in agricultural production is limited by the near nonexistence of educational, extension, and credit facilities for the vast majority of African farmers; the absence for extended periods of time of a very large proportion of the male labor force of the region south of the Zambezi River; and the Government's lack of resources. However, the increasing production of export crops; assured foreign markets, especially for sugar, cotton, and cashews; and the growth of domestic processing (increasing a product's value) all indicate increases in the value of agricultural exports.